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ABSTRACT

This report assesses the crisis facing nonpublic education and offers interim recommendations for utilizing the existing school legislation and for enriching certain proposals under review by the current Administration. The report discusses both financial and nonfinancial issues. (JF)

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The President's Commission on School Finance

Interim Report of the President's Panel on Nonpublic Education February 12, 1971

EA 003 960

President's Commission on School Finance

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February 12, 1971

The President
The White House
Washington, D.C.

Dear Mr. President:

I am forwarding herewith an Interim Report of the Panel on Nonpublic Education, established by you as a part of your Commission on School Finance. The Commission is in general agreement with the recommendations contained therein.

An interim report of the total Commission dealing with all the considerations cited in your Executive Order No. 11513 of March 3, 1970, including the nonpublic school area, is currently being prepared and will be forwarded to your office in approximately one month. The Panel's report is being forwarded now, in view of the desire of your office to receive at the earliest practical date an interim report regarding our consideration of the problems relative to the nonpublic schools.

In view of the fact that the problems of the nonpublic schools are currently being studied in the overall context of public plus nonpublic school finance, it is premature to present to you, at this time, the results of our complete evaluation of the problems relative to nonpublic schools. This will be incorporated in our final report to be submitted by March 3, 1972.

Respectfully submitted,

Neil McElroy

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EXECUTIVE DIRECTOR
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February 12, 1971

The President
The White House
Washington, D. C.

Dear Mr. President:

Your creation last March of a President's Panel on Nonpublic Education was both historic and unprecedented.

It was historic because its formation was tacit recognition of the fact that while many studies of American schools have been commissioned, the focus, invariably, was on the public face of the education coin; hence you established a small group with a mandate to examine the special strengths and weaknesses, the special needs and problems of schools in the private sector and to bring solid information and constructive recommendations for the consideration of your Administration and for all thoughtful Americans.

Equally noteworthy is the manner in which you asked the Panel to perform its duties. By requesting it to work with and within the full sixteen-member Commission on School Finance (announced shortly after the Panel), you sought to assure a comprehensive study by the Commission which would take into full account the delicate and sensitive balance--as well as the growing interdependence--of public and nonpublic educational systems. Diversity of education within the Constitution is the stated goal.

Your action was unprecedented because, for the first time in the country's history, a national Administration unequivocally committed itself to the value of a viable pluralistic educational system where the nonpublic schools were seen as "an integral part of the nation's educational establishment." In short, the Administration viewed the continued dynamic and healthy existence of nonpublic schools as being in the public interest.

Since its creation, Mr. President, the Panel members have met in plenary day-long sessions at least once monthly on the average, and individual members have given many more working days to study and to interviews in order to discharge their obligations. They have helped to delineate major problem areas which require intensive in depth study by the Commission.

However, even without benefit of extended and intensive research, it is clear that the crisis alluded to in your 1970 Message to Congress has worsened to a point where the very existence of quality education in the nonpublic sector is in jeopardy. Our preliminary findings forcefully reinforce your deep concern over the seriousness of the situation when you said: "This government cannot be indifferent to the potential collapse of such (nonpublic) schools."

The Panel feels it can now identify certain of these symptoms and problems which, if unchecked, will hasten a collapse whose consequences will adversely affect the public interest. It further feels it can offer interim recommendations which can more effectively utilize existing school legislation and enrich certain proposals under current review by your Administration.

These problems and these recommendations form the substance of this first interim report which I have the honor to submit to you on behalf of my colleagues on the President's Panel on Nonpublic Education.

Sincerely,

Clarence C. Walton

Clarence C. Walton, Chairman

Members of the Panel on Nonpublic Education
William E. McManus
William G. Saltonstall
Clarence C. Walton
Ivan E. Zylstra

THE PRESIDENT'S PANEL

ON

NONPUBLIC EDUCATION

FIRST REPORT

February 12, 1971

INTRODUCTION

Asserting the need for diversity in education in the United States, President Richard Nixon established on April 21, 1970, a Panel on Nonpublic Education under the chairmanship of Clarence C. Walton. The other panelists are William E. McManus, Willian G. Saltonstall and Ivan E. Zylstra. The four were also named to the sixteen-member Commission on School Finance whose membership was announced subsequently.

During early summer, the Panel prepared a prospectus for a national study of public policy toward nonpublic schools (defined herein as those which are operated on a nonprofit basis and which comply with Title VI of the Civil Rights Act of 1964 - Public Law 88-352). This prospectus was promptly made available to the Commission's staff. On October 31, 1970, the Commission approved the following four major studies of nonpublic schools:

1. Identification and review of the economic and social benefits accruing to the nation from the operation of nonpublic schools;
2. Analysis of the potential for new forms of cooperation between public and nonpublic schools;
3. An analysis of the various forms of public aid to nonpublic schools and the rules of law which apply;
4. A review of the finanical status of nonpublic schools, including:
   a. their enrollment and financial trends;
   b. causes of these trends;
   c. the probable effect on public school systems from the closing of nonpublic schools;
   d. an analysis of parental motivations in the exercise of educational choice.

Working with and within the Commission, the Panel is presently seeking to mobilize nonpublic school resources to assist in the prompt and thorough completion of these important studies.

THE PANEL'S SPECIAL RESPONSIBILITIES

In the April message establishing the Panel, the President explicitly charged it to do three things:

1. to study and to evaluate the problems confronting nonpublic schools;
2. to report the nature of the crisis confronting nonpublic schools;
3. to make positive recommendations to the President for action which will be in the interest of our entire national education system.

The Presidential message also noted that "while the Panel deliberates, nonpublic schools are closing at the rate of one a day."

Certain inferences may be drawn. The first is awareness of the need for prompt response to the President's request for positive recommendations to deal with the uniquely critical financial problems facing the nation's nonpublic schools. The second inference is that the Panel may be expected to look into such nonfinancial issues as morale, deployment of personnel between inner-city and suburban needs, the extent of the commitment by sponsors and by parents to nonpublic schools, the nature of curricular concerns with the moral dimensions of the human personality, the impact of new theological currents and related matters.

BASIC PREMISES

The Panel supports unqualifiedly President Nixon's clearly stated position on the role of nonpublic elementary and secondary schools in American education. The President set the parameters when he said:

"The nonpublic elementary and secondary schools in the United States have long been an integral part of the nation's educational establishment. They supplement in an important way the main task of our public school system. They provide a diversity which our educational system would otherwise lack. They give a spur of competition to the public school through which educational innovations come, both systems benefit, and progress results."

"Should any single school system--public or private--ever acquire a complete monopoly over the education of our children, the result would neither be good for that school system nor good for the country. The nonpublic schools also give parents the opportunity to send children to a school of their own choice and of their own religious denominations. They offer a wider range of possibilities for educational experimentation and special opportunities, especially for Spanish-speaking Americans and Black Americans.

"There is an equally important consideration: these schools -- nonsectarian, Catholic, Jewish, Protestant, and other -- often add a dimension of spiritual value to education affirming in children a moral code by which to live. No government can be indifferent to the potential collapse of such schools."

THE IMMEDIATE PROBLEMS

Nonpublic schools confront an interlocking set of problems, each of which may have varying impacts in different local situations. Generalizations which hold true in equal manner on often quite diverse constituencies are difficult to propose with certitude; however in the obvious malaise the following five problems are critical:

Rising Operating Costs

Shrinking Support Base

Redeployment of Resources

Declining Enrollments

Sagging Confidence

1. Rising Operating Costs are due to inflation, increased teachers' salaries, improved quality of instruction, reduced class sizes, retirements, health insurance and other fringe benefits.

2. Shrinking Support Base is attributable to inflation, rising unemployment, new and competing demands by charities for the donor's dollars, rising taxes -- notably levies for public education at all levels. A profile of a family with children in a nonpublic school reveals a breadwinner facing what looks to him as "triple" levying by (a) governments, in the tax bite, (b) by

his church or synagogue in the form of tithings, and (c) by school officials in the form of tuitions -- and all for the same purpose: education.

3. Redeployment of Resources is occasioned by major commitments to inner city schools and other low or middle-income neighborhoods even as suburban areas are often asked to forgo new school construction. Parents whose own children are not served are in effect asked to help youngsters from poorer families in other parts of the city. The effort is laudable and should be continued but its continuance is precarious in view of pressures noted above.

4. Declining Enrollments in some well-established schools with long histories of academic achievement are related to nagging uncertainty over these schools' financial solvency and their capacity to continue to offer quality education and a distinctive curriculum.

5. Sagging Confidence occurs among these three critical groups: (1) sponsors of private schools who see no end to cost pressures; (2) parents who speculate on whether their school will even open next year

to serve their children; and (3) among teachers who increasingly wonder if theirs is a "lost cause" because of public indifference to their contributions.

Immediate pressures to balance budgets are scarcely conducive to innovation; possibilities of bankruptcy are ill designed to attract and hold excellent teachers. Conflicting court decisions in cases involving aid to nonpublic pupils generate doubt over the government's willingness or constitutional capacity to assist in this hour of crisis.

Despairing sponsors are not creative ones!

Despirited teachers are not stimulating ones!

Confused parents are not committed ones!

It is the child who suffers.

THE CRISIS

The year 1965 was a watershed in the history of nonpublic education because it climaxed nearly a quarter century of steadily rising enrollments. In 1966 the pattern shifted and with the change came important implications for the nation at large.

While many church sponsored or church affiliated schools experienced enrollment reversals in 1966, the impact was first (as early as 1964) and most dramatically felt by Catholic schools which, over the years, had

enrolled the largest portion of nonpublic students. Since the Fall of 1964 the downward trend has continued each year in Catholic schools with the result that decreases in the five-year period between 1964-65 and 1969-70 have been about 950,000 students -- a drop of nearly 20 percent. If this pattern persists, 1980 enrollments in Catholic schools could be only one-half of its 1964 total.

It was also in 1966 that schools sponsored by or affiliated with the Baptist, Methodist, Presbyterian and Seven-Day Adventist experienced their first declines; others, like the National Union of Christian Schools and Lutherans, witnessed slight enrollment rises but most recent indications reveal that they, too, are undergoing reversals.

While the Hebrew Day Schools have been a happy exception among so-called "church" schools, testimony heard by the Panel suggests that difficulties are mounting for these enterprises as well.

The members of the National Association of Independent Schools have not yet suffered general enrollment losses. However, many of the day schools are experiencing a leveling off of demand which may foreshadow a period of still lower enrollment with resulting financial difficulties in all but the wealthiest of these institutions.

While the opening of special academies in some states accounts for a small enrollment increase in the nonsectarian sector, it is a safe generalization to say that virtually all nonpublic schools may be priced out of business as they continue to raise tuitions and fees beyond the capacity of all except the highest income families.

In the light of such trends, what are the probable consequences that the American people must consider? The Panel identifies the following:

1. Parental Choice — in their children's education will erode as nonpublic schools vanish in large numbers. Choice is a right; its exercise depends on the availability of diverse educational systems.

2. Educational Diversity — will be submerged into educational uniformity which can breed a bland conformity in curricula, teaching methods, teacher incentives, and the like.

3. Creative Competition — between public and nonpublic schools will decline, rather than being fostered.

4. Moral and Spiritual Values — will receive less attention. Even if "information" content in education improves, the "formation" content will likely decline. It is worth recalling that in 1776 Thomas Paine wrote in Common Sense that "when we are planning for posterity, we ought to remember that virtue is not hereditary."

5. The Urban Disadvantaged — will lose the services of many dedicated teachers whose commitment to them remains firm within present institutional arrangements but who may be driven from their posts as the resource base erodes.

6. Ethnic Groups — in urban areas will be deprived of schools which have served the community as stabilizing agents and enculturating institutions.

7. Taxes Will Rise — to defray costs for capital investment and for instruction. What is crucial here is taxpayer reaction among those who feel deprived of choice.

When nonpublic schools can operate with balanced budgets, they will begin to shore up the morale of their faculty and sponsors; they will continue to introduce innovative programs which can attract new students. This Panel senses that many parents will continue to commit their children, themselves, and their money in nonpublic schools so long as their continuance as first-rate educational institutions appears likely. These parents, encouraged by equality accorded to nonpublic pupils under Federal and State laws, may lend support for larger expenditures of tax funds to sustain excellent public schools.

While the Panel is aware that money alone will solve neither the nonpublic nor public school crisis, it is convinced that some measure of public revenue support for nonpublic pupils is urgently needed to supplement the existing private investment.

It is in response to the charge given the Panel in the Presidential statement establishing it that the following interim recommendations are offered. It is to be noted that all of these recommendations fall within existing legislation or program proposals under current review by your Administration. They are, nevertheless, the kinds of recommendations which, if promptly

implemented will serve to arrest the decline of nonpublic schools. Such action is necessary if the ultimate recommendations of this Panel and those of the School Finance Commission in the nonpublic school area are to be brought to bear on a still vital part of the nation's educational system.

INTERIM RECOMMENDATIONS

1. Existing legislation and regulations authorizing and requiring Federal aid for the benefit of nonpublic school pupils, notably those who are eligible under the Elementary and Secondary Education Act of 1965, should be vigorously enforced by Federal agencies.
2. Proposals for consolidation of existing federal aid to education programs should include guarantees that all currently eligible nonpublic school pupils will continue to participate.
3. The equity for nonpublic schools and their pupils in the House version of the Emergency Education Act of 1970, but absent in the Senate bill of the 91st Congress, should be incorporated into the final legislation enacted by Congress and submitted to the President for his signature. The Panel deems it imperative that nonpublic schools participate in these emergency programs to stabilize racial integration and to open up opportunities for future integration.
4. Plans for the National Institute of Education should include appropriate representation from the nonpublic sector on the National Advisory Council and should set priorities for research on the ways public and nonpublic schools may cooperate in the development of improved and innovative educational techniques.

5. Plans for a reorganized Office of Education should include provision for creation of a structure to deal directly with nonpublic schools and to make effective recommendations to top officials in the Department of Health, Education and Welfare.

6. The Administration is requested to participate in a Washington Conference to review the nonpublic school crisis in all its dimensions. The Panel on Nonpublic Education stands ready to assist in planning such a conference.

In summary, the Panel, conscious of your Administration's commitment to a viable pluralistic educational system as being in the public interest, has sought in this report to respond constructively in ways that will allow for the future fulfillment of that commitment.

Respectfully submitted,

Clarence C. Walton, Chairman
William E. McManus
William G. Saltonstall
Ivan E. Zylstra